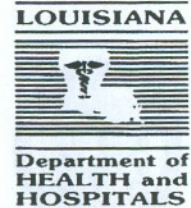




STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



Kathleen Babineaux Blanco
GOVERNOR

Fred Cerise, M.D., M.P.H.
SECRETARY

April 25, 2007

Dear Vaccines for Children provider,

The purpose of this letter is to inform you of some significant changes expected within the Vaccines For Children Program (VFC) during the next year or so. The federal government has decided that it will begin implementing a new national system of vaccine procurement and distribution for the VFC Program. The new system, has been under discussion and development since 2003, and is described as The Vaccine Management Business Improvement Project (VMBIP). VMBIP is to be gradually implemented, state-by-state, over the next 12 to 18 months. The new system describes a centralized vaccine distribution network of from one to three national distribution centers which will distribute all VFC vaccines to both public and private vaccine providers. A federal contract for the management of vaccine stocks and the distribution of vaccines has been awarded to McKesson Specialty Distribution LLC.

The Center for Disease Control and Prevention's (CDC), National Center for Immunization and Respiratory Diseases (NCIRD, formerly the National Immunization Program, [NIP]) has been designated as the lead agency for implementing the new system. Since the beginning of this year, the NCIRD has begun implementation with certain states after a period of pilot demonstration projects. In February of 2008, the Louisiana VFC Program, within the Office of Public Health, Immunization Program is scheduled to begin actual implementation of the new vaccine distribution system. However, it is entirely possible that the kick off date may begin in late 2007.

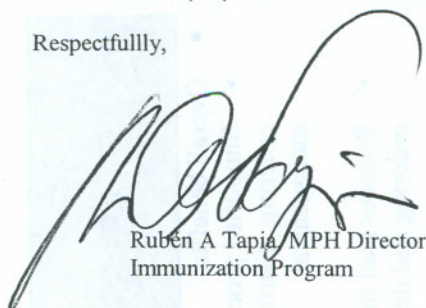
The major reasons stated for changes in the way VFC vaccines are distributed is two fold:

1. An estimated cost saving to federal-state programs; and
2. Increased ability to manage national vaccine supplies and shortages.

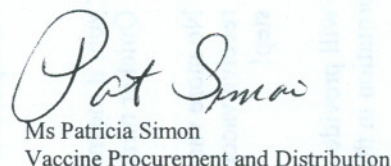
Currently, vaccine is shipped on an as needed basis to VFC providers. The new distribution system will be time based. Simply stated: large providers will receive vaccine shipments monthly; mid-sized providers will receive vaccine bi-monthly; and small providers will receive shipments quarterly. As a result of this new shipment method, you may see an increase in the amount of vaccine your clinic receives at each shipment, based on your previous vaccine usage.

At the present time, many implementation details, specific to us, are yet to be determined. However, in the months ahead you will receive information via mail, and when appropriate, on site consultation with our VFC Program staff. We hope to make this transition as transparent as possible for all VFC providers. Periodically, we will provide updated information in preparation for the transition of your clinic to the new system.

Respectfully,



Ruben A Tapia, MPH Director
Immunization Program



Ms Patricia Simon
Vaccine Procurement and Distribution